



OCC BULLETIN

Comptroller of the Currency
Administrator of National Banks

Subject: Year 2000 Standards for Safety and Soundness

Description: Interagency Guidelines

TO: Chief Executive Officers of all National Banks, Department and Division Heads, and all Examining Personnel

The attached interagency guidelines establishing Year 2000 standards for safety and soundness were published in the *Federal Register* on October 15, 1998. The guidelines were effective on publication. The comment period for the guidelines expires on December 14, 1998.

The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), and Office of Thrift Supervision (OTS) are issuing these guidelines together to establish minimum standards for safety and soundness under section 39 of the Federal Deposit Insurance Act (12 U.S.C. § 1831p-1). Under section 39, standards adopted as guidelines preserve the agency's discretion on whether to take action against violation of the guidelines. Through the Federal Financial Institutions Examination Council (FFIEC), the banking agencies have issued several guidance papers (FFIEC guidance) on important aspects of Year 2000 readiness. The guidelines do not replace the FFIEC guidance; instead, the guidelines are based on, and are intended to be consistent with, the FFIEC guidance.

The guidelines describe certain essential steps, taken from the FFIEC guidance, that each national bank must take to ensure its mission-critical systems are Year 2000 ready. For instance, the guidelines require a bank to ensure the involvement of the board of directors and management in the institution's Year 2000 efforts, adopt a project plan, update its mission-critical systems, complete tests of these updates by specific testing deadlines, plan for contingencies, and manage customer risk. If a bank has already developed and adopted plans and procedures to achieve Year 2000 readiness, it need not prepare new plans and procedures just to satisfy the guidelines. Plans and procedures already adopted will suffice if they have been reviewed and deemed acceptable by the OCC.



OCC BULLETIN

Comptroller of the Currency
Administrator of National Banks

Subject: Year 2000 Standards for Safety and Soundness

Description: Interagency Guidelines

For further information, contact Mark O'Dell, director, Year 2000 Bank Supervision Policy (202) 874-2340; Brian McCormally, assistant director, Enforcement and Compliance (202) 874-4800; Stuart Feldstein, assistant director, or Ursula Pfeil, attorney, Legislative and Regulatory Activities Division (202) 874-5090.

Raymond Natter
Acting Chief Counsel

Attachment 63 FR 55480